

**Minutes of Regular Meeting of January 24, 2012**

**One Twin Pines Lane**

**REGULAR MEETING**

**CALL TO ORDER 7:35 P.M.**

**ROLL CALL**

COUNCILMEMBERS PRESENT: Feierbach, Lieberman, Wozniak, Braunstein,

COUNCILMEMBERS ABSENT: Warden

Staff Present: City Manager Scoles, City Attorney Rennie, Police Chief Mattei, Community Development Director de Melo, Finance Director Fil, Public Works Director Oskoui, Human Resources Director Dino, Police Captain DeSmidt, Parks and Recreation Director Gervais, Redevelopment Agency Counsel Ramiza, City Treasurer Violet, City Clerk Cook

**PLEDGE OF ALLEGIANCE**

Led by Public Works Director Oskoui

**SPECIAL PRESENTATIONS**

**Proclamations Honoring Police Retirements, Presentation of Police Promotions, and Oath of Office for new Police Officers**

Police Chief Mattei noted that it has been a long time since the City honored retiring Police Officers and swore in new officers at the same time. He distributed plaques and flowers to Lieutenant Daley, Sergeant Braké, Officer Bradshaw, and their families, and Vice Mayor Wozniak presented Proclamations on behalf of Mayor Warden.

Chief Mattei announced the promotion of Sergeants Christman and Lotti, and Corporal Lewis and Adams. He also introduced Officers Massoni and Fisher, and noted that they had completed their field training and were ready for full duty. He also introduced Reserve Officer Vogel.

City Clerk Cook administered the Oath of Office to those being promoted and to the new officers. Members of the officers' families pinned their badges.

**RECESS: 7:55 P.M.**

**RECONVENE: 8:07 P.M.**

**PUBLIC COMMENTS AND ANNOUNCEMENTS**

**Alan Sarver**, Sequoia Union High School District Board President, stated that Carlmont High School is the only school in the High School District without field lights. He noted that the school desires to add lights, bleachers, and to create new on-site parking in time for the fall 2012 season. He explained that the CEQA (environmental) review is under way. He invited the community to an upcoming meeting to discuss this project. He noted that the school will also explore traffic improvements in the area.

**John Violet**, Belmont resident, announced that Don McKenzie, former Planning Commissioner and spouse of the current Central Elementary School Principal, passed away unexpectedly. He requested that tonight's meeting be adjourned in his memory.

Vice Mayor Wozniak announced that January 27<sup>th</sup> was the deadline for Commission applications.

Councilmember Feierbach noted the opening of a new candy shop at the Carlmont Shopping Center.

### **COUNCIL MEMBER COMMENTS AND ANNOUNCEMENTS**

Councilmember Braunstein requested the tabling of approval of the minutes of the Special Meeting of December 19, 2011, in order for the City Clerk to provide more clarity regarding some of his comments. Councilmember Feierbach requested the removal of Consent Agenda Item 4-G (Resolution Approving a Permanent Encroachment Agreement at the end of Upper Lock Avenue and Marburger Avenue for separate consideration.

### **ITEMS APPROVED ON CONSENT CALENDAR**

**Motion** Accepting FY 2013 Budget Calendar

**Adoption of** Ordinance 1063 Amending Section 2 (Definitions), 13A.1 (Purpose), and 13A.5 (Findings Required) of Belmont Zoning Ordinance Number 360 (second reading and adoption)

**Approval of** Resolution 2012-007 Honoring Lieutenant Kevin Daley Upon His Retirement

**Approval of** Resolution 2012-008 Honoring Sergeant Michael Brake' Upon His Retirement

**Approval of** Resolution 2012-009 Honoring Officer Charles Bradshaw Upon His Retirement

**Approval of** Resolution 2012-010 Authorizing Rates for Professional Services Agreements with Meyers Nave for Legal Services Related to Solid Waste Franchise Agreements

**ACTION:** On a motion by Councilmember Lieberman, seconded by Councilmember Feierbach, the Consent agenda was unanimously approved, as amended, by a show of hands (4-0, Warden absent).

### **ITEMS REMOVED FROM CONSENT CALENDAR FOR SEPARATE CONSIDERATION**

**Resolution Approving a Permanent Encroachment Agreement for a Mid-Peninsula Water District Utility Pole and a Self Contained Power Unit within the Public Right-of-Way at the End of Upper Lock Avenue and Marburger Avenue**

Councilmember Feierbach noted that the resident who previously expressed concerns regarding this project extended his appreciation to staff for addressing his concerns.

**ACTION:** On a motion by Councilmember Feierbach, seconded by Councilmember Braunstein, Resolution 2012-011 Approving a Permanent Encroachment Agreement for a Mid-Peninsula Water District Utility Pole and a Self Contained Power Unit within the Public Right-of-Way at the End of Upper Lock Avenue and Marburger Avenue was unanimously approved by a show of hands (4-0, Warden absent).

### **OLD BUSINESS**

**Update Regarding Redevelopment Agency Dissolution and Consideration of Resolutions Adopting Amended Enforceable Obligation Payment Schedule and Electing to Retain the**

## **Housing Assets and Functions Previously Held and Performed by the Belmont Redevelopment Agency**

Finance Director Fil explained the history of the State legislation, upheld by the State Supreme Court, which requires the dissolution of redevelopment agencies. He described pending legislative bills which could postpone the deadline for the dissolution, and which address housing funds. He explained that tonight's actions to adopt the enforceable obligation payment schedule, if adopted, would remain in effect for one month, and a new resolution would be required to cover payments until June.

Finance Director Fil described the functions of the oversight board, which has not yet been appointed. He clarified that the City Council, as successor agency, would oversee any remaining Redevelopment matters until such time as the oversight committee convenes.

In response to Councilmember Wozniak, Finance Director Fil explained that there are no criteria as to the Mayor's appointees on the oversight board.

City Attorney Rennie noted that even if the newly-proposed legislation is passed by the legislation, it is unlikely the bills will be signed by the Governor.

In response to Councilmember Lieberman, Finance Director Fil confirmed that if the February 1<sup>st</sup> dissolution deadline remains, the financial impact to the General Fund would be \$100,000 a month.

Finance Director Fil described the enforceable obligation payment schedule through June 30<sup>th</sup>, and he explained that another resolution would allow the City to retain housing assets. He also explained that a special revenue fund can be created to manage the housing monies, the structure of which would be similar to other funds within the General Fund.

In response to Councilmember Wozniak, Redevelopment Agency Attorney Ramiza explained that there is not much guidance relative to restrictions on the housing assets, and he clarified that the inherited assets need to continue to be used for affordable housing. He further clarified that there might be more flexibility available regarding the ratio of affordable to market-rate housing. City Manager Scoles noted that the restrictions are likely to be the same or less. Finance Director Fil stated that the City will need to develop a long-term plan for the ultimate disposition of all housing properties, and that it may be in the City's best interest to retain some of those properties.

Finance Director Fil outlined the fiscal implications of this matter, as well as the hierarchy of payments to the various organizations that receive proceeds from the pass-through payments. He explained that the County of San Mateo will be paid to oversee the trust fund that will be set up to manage the pass-through agreements, and that those agreements will be honored. He also explained that once all the payments have been made, there will be a reconciliation of any remaining funds, and that the intent is that no organization receives more than its fair share.

Finance Director Fil noted that the City will receive monies on some of the costs outlined on the recognized obligation payment schedule, and \$4 million in unspent bond proceeds are subject to

the oversight committee. He explained that some bonds have been sold to improve blight and provide economic development, and that some projects are under way. He stated that the City will also receive \$250,000 annually to administer the Successor Agency obligations.

Redevelopment Agency Attorney Ramiza noted that the legislation provides that bond proceeds can be used for their intended purpose, but if those intended purposes can no longer be achieved because of the dissolution of the redevelopment agency, the monies would be used to pay off the bonds.

Finance Director Fil stated that most of the property acquisitions were made with housing funds and are therefore secure.

In response to Councilmember Lieberman's inquiry regarding the financing of staff with bond proceeds, Finance Director Fil clarified that the police staff is not likely to be covered, but that some other department staff, such as Community Development, are legitimate costs for supporting ongoing projects. He explained that staff will support the Successor Agency and will support ongoing redevelopment projects, including housing, that are funded by bonds.

Redevelopment Agency Attorney Ramiza explained that this effort includes soft costs such as management, oversight, and project administration.

Finance Director Fil stated that the City cannot continue to operate under the existing budget and amendments will need to be made at the mid-year review in February.

Discussion ensued.

In response to Council questions, Finance Director Fil clarified that the \$250,000 administration costs are intended for the management of the enforceable obligation payment schedule (EOPS). He explained that the EOPS attempts to address pension costs, but that ultimately that issue is up to the oversight board to address.

In response to Council questions, Redevelopment Agency Attorney Ramiza clarified that if the existing housing stock is sold, the proceeds would need to be used for other affordable housing projects. He noted that there is no requirement that the assets be held by the City forever.

Discussion ensued. Redevelopment Agency Attorney Ramiza stated that the City will have minority seats on the committee. He also indicated that caution will need to be exercised to ensure that enforceable obligations be made before pass-through monies are distributed.

Finance Director Fil indicated that starting February 1<sup>st</sup> it will be the County of San Mateo's responsibility to make pass-through payments.

Councilmember Wozniak commented that she hoped that the State's long term solution was not to push these financial obligations to cities.

Councilmember Feierbach stated that she was in Belmont when the City's Redevelopment Agency was formed, which she did not support at the time.

**ACTION:** On a motion by Councilmember Lieberman, seconded by Councilmember Braunstein, Resolution 2012-012 Adopting the Amended Enforceable Obligation Payment Schedule was unanimously approved by a show of hands (4-0, Warden absent).

**ACTION:** On a motion by Councilmember Lieberman, seconded by Councilmember Braunstein, Resolution 2012-013 Electing to Retain the Housing Assets and Functions Previously Held and Performed by the Belmont Redevelopment Agency was unanimously approved by a show of hands (4-0, Warden absent).

## **NEW BUSINESS**

### **Discussion and Direction for Disposition of the City-Owned San Juan Hills Properties**

Community Development Director de Melo stated that the City of Belmont acquired properties in the San Juan Canyon in December of 2009. He noted that since that time staff has discussed these parcels with potential developers, but that due to the slow economy, there is not much development interest. He noted that large developers want flat parcels. He described the two potential developable building sites, and noted that staff will continue to seek a private developer. He stated that the intent is to maximize the preservation of open space. He explained that City staff has been in discussion with the owners of the horse ranch, which could provide a future opportunity for lot merger should they be interested in partnering or selling. He stated that the City would need to follow established regulations regarding density.

Councilmember Lieberman expressed concern that a potential developer would be asked to invest time and resources without knowing if they are able to build.

Discussion ensued regarding options on how to seek potential developers on this matter.

Community Development Director de Melo clarified that the source of funds for the property acquisition was money borrowed from the Fleet Fund. City Treasurer Violet explained that a 30-month interfund loan was approved in September of 2010 at the rate set by the Local Agency Investment Fund (LAIF), and that the loan expires in March of 2013. City Manager Scoles noted that the City Council could extend the loan.

Community Development Director de Melo stated that the City could analyze the properties using the slope density calculations.

Councilmember Wozniak expressed concern that potential developers might not present what the City Council wants for these properties. She recommended setting parameters, and also suggested an option to seek buyers for individual lots.

**Warren Gibson**, Belmont resident, expressed support for moving forward with doing something with these properties. He noted that this is the correct way to protect open space, and suggested a three-lot subdivision on both Bishop Road and Marsten Avenue. He recommended that these

properties not become a cash cow and the proceeds should cover the loan proceeds only. He also recommended engaging in discussions with speculators.

**Mike Davis**, Belmont resident, suggested starting with the lots on Bishop Road, and noted his support for four lots for that property. He recommended renegotiating the payment of Mr. Lehmer's back taxes on the properties, as those properties are not worth the same as they were when the taxes were levied.

**Eric Dentler**, Belmont resident, described his involvement with the San Juan Canyon Task Force in the 1990's. He commended the City Council for acquiring these properties. He noted that there is some complexity in trying to deal with individual purchasers. He expressed his support for developing some lots in order to preserve open space.

Councilmember Feierbach expressed support for the development of up to two lots on Bishop Road. She noted this is the most pristine area of the San Juan Canyon. She also expressed support for identifying quality developers or individual purchasers. She noted that the most development will likely occur on Marsten Road.

Community Development Director de Melo stated that if individual buyers are pursued, the City would likely need to create the subdivision.

Councilmember Feierbach expressed support for Option 3 (compiling a Developer Team).

Councilmember Braunstein also expressed support for Option 3, and expressed support for moving forward on this matter. He suggested developing a timeline with milestones.

Councilmember Lieberman expressed support for as little development as possible and for this project to be revenue neutral. He is concerned that the City will be unable to recoup its costs, and noted that this is not likely going to be a cash cow. He expressed support for Option 3.

Councilmember Wozniak stated that she does not support any of the options and suggested a hybrid option. She suggested that the City perform some work up front to prepare for future development. She noted that the concept is too vague. She expressed support for selling all of the parcels, dedicating a portion of them to open space, and allowing development of the others. She commented that the property is worth more if it includes approved plans.

Councilmember Feierbach concurred with the need to be clear with potential developers. She does not support an iterative process.

Community Development Director de Melo stated that the City could engage the services of an engineer to vet the parcels according to existing regulations in order to identify potential developable lots.

Discussion ensued. Council concurred to develop a conceptual plan and then pursue developers under the Option 3 model.

## **COMMISSION, COMMITTEE, AND COUNCIL INTERGOVERNMENTAL ASSIGNMENT UPDATES, AND STAFF ITEMS**

### **Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments**

Councilmember Braunstein reported that Interim Fire Chief Fry provided an update on the Hazmat Team activities at a recent Office of Emergency Services (OES) meeting. He noted that there were no issues from the other members of the agency regarding the new Hazmat services. He stated that future funding of Hazmat will still need to be addressed by the group, which expressed a desire for a flat budget.

**MEETING EXTENSION:** At this time, being 10:30 p.m., on a motion by Councilmember Braunstein, seconded by Councilmember Lieberman, the meeting was unanimously extended for 30 minutes (4-0, Warden absent).

Councilmember Lieberman stated that he was unable to attend a recent South Bayside System Authority (SBSA) meeting and requested an update from Public Works Director Oskoui regarding the meeting.

Public Works Director Oskoui stated that the SBSA board took action on a revised cost allocation for its Capital Improvement Project, which all member agencies will need to review. He explained that it will be beneficial for the City of Belmont.

Councilmember Wozniak provided an overview of the discussion that took place at a recent Peninsula Cities Consortium meeting for High Speed Rail. She stated that shuttle service was discussed at the Congestion Relief Alliance meeting.

### **Verbal Report from City Manager**

City Manager Scoles stated that he would be attending a City Manager conference, and the likely topics for discussion will be the redevelopment issue and the State budget. He noted that AB659, which could extend the life of redevelopment agencies, has been forwarded to the Rules Committee. He announced that the City of Belmont received a \$250,000 grant from Cal Recycle for rubberized pavement. He explained that a number of curb ramps were installed and the work was performed in house. He stated that staff members attended a County of San Mateo meeting on the ban of plastic bags.

Councilmember Wozniak stated that the City of Belmont may want to consider a resolution of support for the County's plastic bag ordinance.

City Attorney Rennie explained that the County's proposal is for a uniform approach to this matter, and that the County is likely to fund the environmental review. He noted that the County is looking for commitment from the cities regarding the process.

**ADJOURNMENT** at this time, being 10:40 P.M., in memory of Former Planning Commissioner Don McKenzie.

**Terri Cook, City Clerk**